

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	
In re	:	Chapter 11
	:	
BLOCKBUSTER INC., <i>et al.</i> , ¹	:	Case No. 10-14997 (BRL)
	:	
	:	(Jointly Administered)
Debtors.	:	
	-----X	

ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 327, AND 330
AUTHORIZING THE DEBTORS TO EMPLOY PROFESSIONALS
UTILIZED IN THE ORDINARY COURSE OF BUSINESS

Upon the Motion,² dated September 24, 2010, of Blockbuster Digital Technologies Inc., its parent Blockbuster Inc., and their debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, “*Blockbuster*” or the “*Debtors*”), for an order, pursuant to sections 105(a), 327, and 330 of the Bankruptcy Code, requesting authorization to employ professionals utilized in the ordinary course of business (the “*Ordinary Course Professionals*”), all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and grant the requested relief in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Motion being a core proceeding pursuant to 28

¹ The Debtors, together with the last four digits of each Debtor’s federal tax identification number, are: Blockbuster Inc. (5102); Blockbuster Canada Inc. (1269); Blockbuster Digital Technologies Inc. (9222); Blockbuster Distribution, Inc. (0610); Blockbuster Gift Card, Inc. (1855); Blockbuster Global Services Inc. (3019); Blockbuster International Spain Inc. (7615); Blockbuster Investments LLC (6313); Blockbuster Procurement LP (2546); Blockbuster Video Italy, Inc (5068); Movielink, LLC (5575); Trading Zone Inc. (8588); and B² LLC (5219).

² Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to them in the Motion.

U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Debtors having provided notice of the Motion and Hearing (as defined below) to the Notice Parties; and it appearing that no other or further notice need be provided; and the Court having held a hearing to consider the requested relief (the “*Hearing*”); and upon the record of the Hearing, and all of the proceedings before the Court, the Court finds and determines that the requested relief is in the best interest of the Debtors, their estates, creditors, and all parties in interest; and that the legal and factual bases set forth in the Motion establish just and sufficient cause to grant the requested relief herein; and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY ORDERED:**

1. The Motion is granted as provided herein.
2. Pursuant to sections 105(a), 327, and 330 of the Bankruptcy Code, to the extent deemed necessary by the Debtors, the Debtors are authorized to employ, *nunc pro tunc* to the Commencement Date, the Ordinary Course Professionals listed on *Exhibit “1”* annexed hereto, in the ordinary course of their businesses, in accordance with the procedures set forth herein.
3. Each Ordinary Course Professional shall provide the Debtors’ attorneys within thirty (30) days of the later of (i) the entry of this Order and (ii) the date on which the Ordinary Course Professional commences services for the Debtors: (a) an affidavit (the “*Ordinary Course Professional Affidavit*”), substantially in the form annexed hereto as *Exhibit “2”*, certifying that such Ordinary Course Professional does not represent or hold any interest materially adverse to the Debtors or their estates with respect to the matter on which the professional is to be employed; and (b) a completed retention questionnaire (the “*Retention Questionnaire*”), substantially in the form annexed hereto as *Exhibit “3”*.

4. The Debtors' attorneys shall file the Ordinary Course Professional Affidavits and Retention Questionnaires with the Court and serve a copy thereof upon the Reviewing Parties (as defined below) within thirty (30) days of the later of (i) the entry of this Order and (ii) the commencement of any work by such Ordinary Course Professional.

5. The Debtors are authorized to supplement the list of Ordinary Course Professionals from time to time during these chapter 11 cases, as the need arises, and file a notice with the Court listing such additional Ordinary Course Professionals and attaching thereto the relevant Ordinary Course Professional Affidavits and Retention Questionnaires (collectively, the "***Supplemental Notice of Ordinary Course Professionals***"), and serve the Supplemental Notice of Ordinary Course Professionals on the (i) U.S. Trustee (Attn: Brian Masumoto, Esq.), and (ii) Cooley LLP, attorneys for the Creditors' Committee (together with the Debtors, the "***Reviewing Parties***").

6. The Reviewing Parties shall have fifteen (15) days after receipt of the Ordinary Course Professional Affidavit and the Retention Questionnaire, in the case of Ordinary Course Professionals listed on ***Exhibit "3"***, attached hereto, or the Supplemental Notice of Ordinary Course Professionals, in the case of any additional Ordinary Course Professionals, to object to the retention, employment or compensation of the Ordinary Course Professional based on the contents of the respective Ordinary Course Professional Affidavit or Retention Questionnaire (the "***Objection Deadline***").

7. If no objections are filed by the Objection Deadline, the retention, employment, and compensation of the Ordinary Course Professional shall be deemed approved pursuant to section 327 of the Bankruptcy Code without the need for a hearing and without further order from the Court, *nunc pro tunc* to the Commencement Date with respect to the

Ordinary Course Professionals listed on ***Exhibit “3”*** or as of the date the Ordinary Course Professional is retained with respect to additional Ordinary Course Professionals; *provided, however*, that if an objection is filed and any such objection cannot be resolved within twenty (20) days, the matter shall be set for a hearing before the Court.

8. The Debtors are authorized to pay compensation and reimburse expenses to each of the Ordinary Course Professionals retained pursuant to this Order in the customary manner for the full amount billed by each such Ordinary Course Professional upon receipt of reasonably detailed invoices indicating the nature of the services rendered and calculated in accordance with such professional’s standard billing practices (without prejudice to the Debtors’ right to dispute any such invoices); *provided, however*, that (i) the payments do not exceed \$40,000 per month per Ordinary Course Professional, and (ii) all payments will first be applied against the balance of any retainer fee (the “***Retainer***”) held by an Ordinary Course Professional, if applicable, until such Retainer has been drawn down completely, and to the extent that on any given month, the amount of the Retainer is only sufficient to satisfy a portion of the Ordinary Course Professional’s expenses, the Debtors shall pay the remainder of that Ordinary Course Professional’s expenses in full; *provided, however*, that the full amount of expenses for that month does not exceed \$40,000.

9. Payment to any one Ordinary Course Professional shall not exceed \$300,000 for the entire period in which these chapter 11 cases are pending, subject to further order of the Court.

10. In the event payment to any Ordinary Course Professional exceeds \$300,000 for the entire period in which these chapter 11 cases are pending, such Ordinary

Course Professional shall be required to file a retention application with the Court to be retained as a professional pursuant to section 327 of the Bankruptcy Code.

11. In the event that an Ordinary Course Professional seeks more than \$40,000 in a given month, that professional will be required to file a fee application with respect to such month for the full amount of its fees and expenses in accordance with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules for the Southern District of New York, any and all orders of the Court, the fee guidelines established by the U.S. Trustee, and such other procedures as may be fixed by order of this Court.

12. Every ninety (90) days (commencing ninety (90) days from the date of entry of this Order), the Debtors shall file a statement with the Court, and serve the same on the Reviewing Parties, which statement shall include the following information for each Ordinary Course Professional: (a) the name of such Ordinary Course Professional; (b) for each month during the relevant period, the amounts paid as compensation for services rendered and as reimbursement of expenses incurred by such Ordinary Course Professional; and (c) the aggregate amount paid to date to such Ordinary Course Professional as compensation for services rendered and as reimbursement of expenses incurred.

13. The Debtors reserve the right to amend the monthly compensation limitations set forth in this Order upon notice and hearing.

14. This Order shall not apply to any professional retained by the Debtors pursuant to a separate order of the Court.

15. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: October 20, 2010
New York, New York

/s/Burton R. Lifland
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Ordinary Course Professional Affidavit

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
:
In re : Chapter 11
:
BLOCKBUSTER INC., *et al.*,¹ : Case No. 10-14997 (BRL)
:
: (Jointly Administered)
Debtors. :
-----X

AFFIDAVIT AND DISCLOSURE STATEMENT OF _____,

ON BEHALF OF _____

STATE OF _____)
) ss:
COUNTY OF _____)

_____, being duly sworn, upon his oath, deposes and says:

1. I am a [INSERT TITLE] of _____, located at

_____ (the “*Firm*”).

2. Blockbuster Digital Technologies Inc., its parent Blockbuster Inc., and their debtor affiliates, as debtors and debtors in possession (collectively, “*Blockbuster*” or the “*Debtors*”), have requested that the Firm provide legal services to the Debtors, and the Firm has consented to provide such services.

3. The Firm may have performed services in the past and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties

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in interest in the Debtors' chapter 11 cases. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be claimants or employees of the Debtors, or other parties in interest in these chapter 11 cases. The Firm does not perform services for any such person in connection with these chapter 11 cases. In addition, the Firm does not have any relationship with any such person, their attorneys, or accountants that would be materially adverse to the Debtors or their estates.

4. Neither I, nor any principal of, or professional employed by the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principals and regular employees of the Firm.

5. Neither I, nor any principal of, or professional employed by the Firm, insofar as I have been able to ascertain, holds or represents any interest materially adverse to the Debtors or their estates.

6. The Debtors owe the Firm \$_____ for prepetition services.

7. The Firm holds a retainer for the Debtors in the amount of \$_____, which the Firm [intends to/ does not intend to] use to satisfy the \$_____ owed for prepetition services.

8. [The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matters described herein, the Firm will supplement the information contained in this Affidavit.]¹

¹ If necessary.

Subscribed and sworn to before me
this ____ day of _____, 2010

Notary Public

Exhibit 2

Retention Questionnaire

In re BLOCKBUSTER INC., et al.
Case No. 10-14997 (BRL)

RETENTION QUESTIONNAIRE

TO BE COMPLETED BY PROFESSIONALS EMPLOYED BY BLOCKBUSTER INC. ET AL., OR ANY OF ITS DEBTOR AFFILIATES (collectively, the “*Debtors*”)

DO NOT FILE THIS QUESTIONNAIRE WITH THE COURT.
RETURN IT FOR FILING BY THE DEBTORS, TO:

Weil, Gotshal & Manges LLP
200 Crescent Court
Suite 300
Dallas, Texas 75201
Attn: Martin A. Sosland, Esq.
Regina Merson, Esq.

All questions **must** be answered. Please use “none,” “not applicable,” or “N/A,” as appropriate. If more space is needed, please complete on a separate page and attach.

1. Name and address of firm:

2. Date of retention: _____

3. Type of services provided (accounting, legal, etc.):

4. Brief description of services to be provided:

5. Arrangements for compensation (hourly, contingent, etc.)

- (a) Average hourly rate (if applicable):

- (b) Estimated average monthly compensation based on prepetition retention (if firm was employed prepetition):

6. Prepetition claims against the Debtors held by the firm:

Amount of claim: \$ _____

Date claim arose: _____

Source of Claim: _____

7. Prepetition claims against the Debtors held individually by any member, associate, or professional employee of the firm:

Name: _____

Status: _____

Amount of Claim: \$ _____

Date claim arose: _____

Source of claim: _____

8. Stock of the Debtors currently held by the firm:

Kind of shares: _____

No. of shares: _____

9. Stock of the Debtors currently held individually by any member, associate, or professional employee of the firm:

Name: _____

Status: _____

Kind of shares: _____

No. of shares: _____

10. Disclose the nature and provide a brief description of any interest materially adverse to the Debtors or to their estates with respect to the matters on which the above-named firm is to be employed.

11. Name of individual completing this form:

Exhibit 3

Ordinary Course Professionals

1	A.J. PARK & SON	HUDDART PARKER BUILDING, POST OFFICE SQUARE, PO BOX 949 WELLINGTON, 6011 NEW ZEALAND	IP Counsel
2	ALG India Law Offices	30 Siri Fort Road New Dehli, 10049 India	IP Counsel
3	BAKER BOTTS LLP	PO BOX 201626 HOUSTON, TX 77216-1626 UNITED STATES	IP Counsel
4	BAKER MARQUART & CRONE LLP	10990 WILSHIRE BLVD STE 400 LOS ANGELES, CA 90024 UNITED STATES	Litigation Counsel
5	BARREDA MOLLER	AV ANGAMOS OESTE 1200 LIMA, 18 PERU	IP Counsel
6	BEERMAN SWERDLOVE LLP	161 North Clark Street, Suite 2600 Chicago, IL 60601 UNITED STATES	Litigation Counsel
7	BINGHAM MCCUTCHEN	PO BOX 3486 BOSTON, MA 02241-3486 UNITED STATES	Labor and Employment Counsel
8	Borden Ladner Gervaise LLP	Scotia Plaza 40 King Street West TORONTO, Ontario CANADA	IP Counsel
9	Chiomenti Studio Legale	Via XXIV Maggio, 43 Rome, 00187 ITALY	Corporate Counsel
10	COWAN LIEBOWITZ & LATMAN PC	1133 AVENUE OF THE AMERICAS NEW YORK, NY 10036-6799 UNITED STATES	IP Counsel
11	DAVIS POLK & WARDWELL LLP	1600 EL CAMINO REAL MENLO PARK, CA 94025 UNITED STATES	Anti-Trust
12	Drew & Napier	20 Raffles Place #17-00 Singapore, 0104 China	IP Counsel
13	DURLING & DURLING	PO BOX 527948 MIAMI, FL 33152-7948 UNITED STATES	IP Counsel
14	FR KELLY & CO	27 CLYDE RD BALLSRIDGE DUBLIN, 4 IRELAND	IP Counsel

15	George C.T. Moore	105 Narcissus Ave. West Palm Beach, FL 33401 UNITED STATES	IP Counsel
16	GOWLING LAFLEUR & HENDERSON	BOX 466, STATION D OTTAWA, ON K1P 1C3 CANADA	IP Counsel
17	HAYNES AND BOONE L.L.P.	2323 VICTORY AVE #700 DALLAS, TX 75219 UNITED STATES	Labor and Employment/ Franchising Counsel
18	HOET PELAEZ CASTILLO & DUQUE	PATRICIA HOET / LEONOR YANEZ 13464 57TH PLACE S WELLINGTON, FL 33449-6009 UNITED STATES	IP Counsel
19	HUNTON & WILLIAMS LLP	1111 BRICKELL AVE, STE 2500 MIAMI, FL 33131 UNITED STATES	General Corporate / Outsourcing Counsel
20	JACKSON WALKER LLP	ATTORNEYS & COUNSELORS PO BOX 130989 DALLAS, TX 75313 0989 UNITED STATES	Labor and Benefits Counsel
21	JACOBACCI & PARTNERS M. & J. DE JUSTO	M&J DE JUSTO CASTELLANA, 128 MADRID, 28046 SPAIN	IP Counsel
22	JE DIAS COSTA LDA	Rua do Salitre, 195 Lisboa, 1269-063 Portugal	Corporate / IP Counsel
23	JOHANSSON & LANGLOIS	San Pio X N 2460, 11th Floor SANTIAGO, CHILE	IP Counsel
24	JONES DAY	PO BOX 70294 CLEVELAND, OH 44190-0294 UNITED STATES	IP/ Licensing Counsel
25	K&L GATES	1717 MAIN ST, STE 2800 DALLAS, TX 75201 UNITED STATES	IP/ Licensing Counsel
26	KESTENBAUM EISNER & GORIN LLP	CLIENT TRUST ACCOUNT 14401 SYLVAN ST #112 VAN NUYS, CA 91401 UNITED STATES	IP Counsel
27	LEE AND LI	201 TUN HUA N RD, 7TH FLOOR TAIPEI, 105 TAIWAN, PROVINCE OF CHINA	IP Counsel
28	LEE INTERNATIONAL IP & LAW GROUP	14F KUKDONG BLDG CHUNGMURO 3-KA CHUNG-KU SEOUL, 100705 KOREA, REPUBLIC OF	IP Counsel

29	Marks & Clerk LLP	Sussex House 83-85 Mosley Street Manchester, M2 3LG UNITED KINGDOM	IP Counsel
30	NOETINGER & ARMANDO	25 DE MAYO 489, 8TH FLOOR BUENOS AIRES, 1339 ARGENTINA	IP Counsel
31	OLIVARES & CIA S.C.	PO BOX 12743 MEXICO CITY, 3100 MEXICO	IP Counsel
32	RICHARDS LAYTON & FINGER PA	PO BOX 551 WILMINGTON, DE 19899 UNITED STATES	General Corporate Counsel
33	ROMERO PINEDA & ASOCIADOS	VIP SAL NO. 929 PO BOX 52-5364 MIAMI, FL 33152-5364 UNITED STATES	Litigation Counsel
34	THOMPSON COBURN LLP	PO BOX 18379M ST LOUIS, MO 63195 UNITED STATES	Labor and Employment Counsel
35	VICTOR VARGAS-VALENZUELA	PO BOX 1888 SAN JOSE, 1000 COSTA RICA	IP Counsel
36	VINCENT DAGENAIS GIBSON LLP	600-325 Dalhousie Street Ottawa, Ontario K1N 7G2 Canada	Litigation Counsel
37	WP THOMPSON & COMPANY	PO BOX 19129 NEWARK, NJ 7195 UNITED STATES	IP Counsel
38	WYMAN ISAACS BLUMENTHAL & LYNNE LLP	BLUMENTHAL & LYNNE, LLP 8840 WILSHIRE BLVD, SECOND FLOOR BEVERLY HILLS, CA 90211 UNITED STATES	Litigation Counsel
39	ZACCO	PO BOX 2003 VIK OSLO, 125 NORWAY	IP Counsel